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FISCAL IMPACT REPORT

SPONSOR Ingle DATE TYPED 2/9/04 HB _____
 SHORT TITLE Tort Claims Post-Judgment Interest SB 625
 ANALYST Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	NFI		NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 339.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Offices of the Courts
 The Department of Transportation

SUMMARY

Synopsis of Bill

The bill amends Section 41-4-19 of the Tort Claims Act (“TCA”) to all post-judgment interest at the rate of two percent over the prime rate on judgments in tort lawsuits brought under the TCA against governmental entities or public employees. The prime rate is the rate published in the *Wall Street Journal*.

Significant Issues:

The Department of Transportation notes:

- Post-judgment interest is currently not provided under the TCA. Furthermore, NMSA 1978, Section 56-8-4(D), prohibits the award of post-judgment interest against the state and its political subdivisions unless it is provided by statute or common law. Construing Sections 41-4-19 and Section 56-8-4(D) together, the New Mexico Supreme Court has ruled that the award of post-judgment interest is prohibited under the TCA. Trujillo v. City of Albuquerque, 1998-NMSC-031, 125 N.M. 721. This bill will change existing law and allow plaintiffs to collect post-judgment interest against governmental entities and public employees.

The Administrative Office of the Courts notes:

- This bill allows interest to be added to a judgment under the Tort Claims Act until the judgment is paid. The bill requires computing the interest rate daily. The bill does not state who will calculate the interest

FISCAL IMPLICATIONS

This bill does not contain an appropriation.

The Department of Transportation states:

- The bill amends Section 41-4-19 of the Tort Claims Act (“TCA”) by allowing post-judgment interest at the rate of two percent over the prime rate on judgments in tort lawsuits brought under the TCA against governmental entities or public employees.

SJM/yr